17. Under policy on portfolio investment, Foreign Institutional Investors (FIIs) are permitted to invest in a company upto an aggregate of 24% of equity shares, extendable upto 40% subject to approvals. This limit has been raised from 40% to 49% in the Budget 2001-02.

18. Under the Employee Stock Option Scheme, income tax payable on income from GDRs purchased in foreign currency by a resident employee of IT software and service companies, shall be at a concessional rate of 10%.

19. Tax holiday under provisions of Section 80-IA (Infrastructure Status) has been extended to Internet Service Providers (ISPs) and Broadband Network providers.

20. Two-way fungibility has been permitted for ADRs / GDRs. Local shares can now be reconverted into ADRs / GDRs, subject to sectoral caps.

21. To induce more investment for R&D activities, a weighted deduction of 125% on the sums paid to any university, college or an institution or a Scientific research association for the purposes of scientific, social or statistical research has been provided.

22. Information Technology Act 2000 has been enacted. This act deals with Cyber Security, Cyber Crime and other information security related legal aspects. This will encourage expansion of e-commerce through internet.

23. Software Technology Parks of India (STPI) has set up a business support centre in the USA, which is operational since November, 1999, to promote business for STP units and provide marketing support to SMEs.

Discussion about US National Missile Defence System with Russia

*63. DR. KARAN SINGH: Will the MInister of EXTERNAL AFFAIRS be pleased to state:

(a) whether during the recent visit of Russian Foreign Minister to New Delhi, Government discussed its stand generally welcoming the US President's plan to deploy National Missile Defence (NMD) system;

(b) if so, the Russian stand thereto and outcome of the discussions in regard to the impact of the NMD Plan on World Peace and the Non-Proliferation regime; and

(c) whether the US statement in question has added that the US has no intention of taking an unilateral decision and intends to holds consultations with Russia, China and India?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI JASWANT SINGH: (a) and (b) During talks, Foreign Minister Ivanov comprehensively explained Russia's views on President Bush's Statement of 1st May 2001 and added, in the context, that the Indian and Russian approaches mostly coincide. He said that Russia welcomed consultations launched by the US and looked forward to meetings with US with proposals of its own, including President Putin's comprehensive proposal about reductions in strategic offensive weapons and ballistic missile defences. India stated that the 1972 ABM Treaty should not be abrogated unilaterally.

(c) Yes, Sir. These consultations have subsequently been held during the months of May and June. The United States has stated that it intends to continue with these consultations.

Classification of bottled water as food

*64. SHRI C. RAMACHANDRAIAH: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government have recently, classified bottled water as food and has placed it under the purview of the Prevention of Food Adulteration Act (PFA) and have also made BIS certification and PFA licence compulsory for the bottled water;

(b) if so, the details thereof and the objective sought to be achieved thereby;

(c) the reasons why the notification classifying bottled water as food was issued by the Ministry of Health and Family Welfare and not by his Ministry; and

(d) the main players in the bottled water business in the Indian market and whether all of them would be covered by the aforesaid regulations?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHANTA KUMAR): (a) Yes, Sir.

(b) Packaged Drinking Water is actually a processed food item and altogether different from ordinary water which is available in ponds, rivers, canals, sea or is supplied by various authorities. Therefore, Government decided to declare Packaged Drinking Water as food under the Prevention of Food Adulteration (PFA) Act, 1954 and simultaneously bring it under the requirement